



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

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AUGUST 2012 STATE REVENUE COLLECTIONS

TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE STAFF

SEPTEMBER 14, 2012

The Fiscal Review Committee (FRC) staff has prepared the attached monthly estimates of August revenue collections necessary to meet the budgeted estimates for FY12-13, which began July 1, 2012. Cash revenue collections are recorded on an accrual basis. As a result, August is the first month for which revenue collections are measured in FY12-13. Cash revenue collections will be reconciled with accrual adjustments as part of the year-end closing. Accrual adjustments are not taken into consideration for the purpose of this report.

The monthly revenue estimates referred to in this report should not be interpreted as forecasts for Tennessee revenue collections, but more as a reasonable allocation of the FY12-13 budgeted estimate, which was adopted by the General Assembly, across the twelve months that make up FY12-13. The monthly revenue estimates, therefore, represent projected collection patterns (for each tax, total tax revenue, and general fund revenue) required for funding the adopted FY12-13 budget. Monthly revenue estimates will be revised as the budget is revised based upon recommendations of the State Funding Board in December 2012.

For August 2012, total cash collections were \$814,800,000, an over-collection of \$1,340,000 relative to the FRC budgeted estimate for the month. Sales taxes were

under-collected by \$6,281,000. Franchise and excise taxes were over-collected by \$8,444,000, and all other taxes were under-collected by \$823,000.

Relative to actual collections in August 2011, total collections increased by 1.01 percent, compared to the FRC budgeted estimate of a 0.85 percent increase. General fund collections increased by 1.61 percent, compared to the FRC budgeted estimate of a 0.38 percent increase.

Sales tax collections increased by 1.13 percent, compared to the FRC budgeted estimate of a 2.25 percent increase. Franchise and excise tax collections increased by 4.63 percent, compared to the FRC budgeted estimate of a 20.29 percent decrease. All other tax collections increased by 0.12 percent, compared to the FRC budgeted estimate of a 0.51 percent increase.

The budget for FY12-13 adopted by the General Assembly assumed positive total revenue growth of 0.28 percent and negative general fund growth of 0.13 percent.